

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1426-06  
Bill No.: SS for SCS for HB 556 with SA 1, SA 2, SA 3, SA 4, SA 5 and SA 6  
Subject: Children and Minors; Courts; Health Department; Social Services Department  
Type: Original  
Date: May 4, 2015

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Bill Summary: This proposal modifies provisions relating to children and families.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
General Revenue	(Greater than \$2,203,054)	(More than \$2,058,966)	(More than \$2,269,546)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Greater than \$2,203,054)</b>	<b>(More than \$2,058,966)</b>	<b>(More than \$2,269,546)</b>

\* Tax credit purchases and issuances net to \$0.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
MoPHS	(Less than \$14,139)	Could exceed \$34,927	Could exceed \$19,811
Other State Funds	\$334,511	\$966,364	\$892,028
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Less than \$334,511</b>	<b>Could exceed \$1,001,291</b>	<b>Could exceed \$911,839</b>

**Note:** The fiscal note does not reflect the possibility that some of the tax credits could be utilized by insurance companies against insurance premium taxes. If this occurs, the loss in tax revenue would be split between the General Revenue Fund and the County Foreign Insurance Fund, which ultimately goes to local school districts.

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 27 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Federal*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Income, savings, expenses, and losses could exceed \$10 million annually and net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	1	1	1
MoPHS	2	2	2
<b>Total Estimated Net Effect on FTE</b>	<b>3</b>	<b>3</b>	<b>3</b>

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### **§§135.1150 and 135.1180 - Residential Treatment Agency and Developmental Disability Care Provider Tax Credits (SA #6)**

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state an unknown reduction in premium tax revenue as a result of changes to these tax credits is possible. Premium tax revenue is split 50/50 between General Revenue and County Foreign Insurance Fund except for domestic Stock Property and Casualty Companies who pay premium tax to the County Stock Fund. The County Foreign Insurance Fund is later distributed to school districts throughout the state. County Stock Funds are later distributed to the school district and county treasurer of the county in which the principal office of the insurer is located. It is unknown how each of these funds may be impacted by tax credits each year.

Officials from the **Office of Administration (OA), Division of Budget and Planning (B&P)** state this proposal would repeal the sunsets for the Residential Treatment Agency Tax Credit and Developmental Disability Care Provider Tax Credit programs. Because agencies are required to remit payments for these credits, this proposal has no direct impact on general and total state revenues. Therefore, this will not result in an impact to Total State Revenue or the state's Article X, Section 18(e) calculation.

**Oversight** notes the Residential Treatment Agency Tax Credit and the Developmental Disability Care Provider Tax Credit Program allows a donor a tax credit of 50% of the eligible donation. Of the donation, the agency keeps 50%, and writes a check to the state for the other 50%. The donor gets a tax credit in the amount of 50% of their donation. There is no cost to the state for the tax credit.

**Oversight** notes, according to the Tax Credit Analysis submitted by the Department of Social Services (DSS) regarding this program, the Residential Treatment Agency Tax Credit program had the following activity:

	FY 2012	FY 2013	FY 2014
Certificates Issued (#)	148	197	242
Amount Issued	\$373,588	\$513,212	\$348,604
Amount Redeemed	\$283,501	\$292,396	\$490,033

ASSUMPTION (continued)

**Oversight** notes, according to the Tax Credit Analysis submitted by the Department of Social Services regarding this program, the Developmental Disability Care Provider Tax Credit Program had the following activity:

	FY 2012	FY 2013	FY 2014
Certificates Issued (#)	0	15	18
Amount Issued	\$0	\$62,292	\$49,588
Amount Redeemed	\$0	\$7,819	\$92,993

For fiscal note purposes, **Oversight** is using DSS' projected amounts issued for the Residential Treatment Agency Tax Credit and the Developmental Disability Care Provider Tax Credit Program.

Officials from the **Department of Elementary and Secondary Education (DESE)** state tax subsidies reduce the state's tax revenues and decrease the amount of money available for public schools and all public school students. Extension of the sunset date for these tax subsidies will have an unknown fiscal impact.

Officials from the **Department of Social Services (DSS)** state the Division of Finance and Administrative Services already administers these tax credits, so there is no cost to extending the current process.

**§§170.047 and 170.048 - Suicide Awareness Programs**

Officials from the **DESE** state the DESE could incur costs to bring in experts to assist in the development of a model policy; however, the DESE does not expect significant costs.

**DESE** defers to school districts regarding the extent and level of costs necessary to provide training.

Officials from the **DSS** state this section only pertains to the Division of Youth Services (DYS). The DHS currently has a suicide awareness and prevention program and would incorporate any sections of the DESE model that were applicable to DHS.

**§191.332 - Severe Combined Immunodeficiency (SCID) Newborn Screening (SA #2)**

Officials from the **Department of Health and Senior Services (DHSS)** provide the following assumptions:

Adding severe combined immunodeficiency (SCID) to the newborn screening panel would result in approximately 20 or more cases per year that would require referral for follow-up and confirmation. However, due to the fact that the testing methodology for SCID is relatively new

ASSUMPTION (continued)

and based upon recent experience with Lysosomal Storage Disorders, it is recognized that 20 cases per year is the minimum estimated number and the actual referral rate could be significantly higher. Based on this knowledge, it is assumed that the tracking and follow-up of SCID would exceed the current capacity of the newborn screening program.

Due to the nature of SCID, it would not be appropriate to add funding to the existing genetic contracts because newborns referred for follow-up after an abnormal SCID newborn screen would not be seen or followed in the genetic clinics. These newborns would be seen by immunologists and, if necessary, transplant teams. Therefore, the newborn screening program would require one (1) Public Health Senior Nurse (\$49,788 annually) to conduct and coordinate all follow-up activities for SCID newborn screening.

The Public Health Senior Nurse responsibilities would include:

- Coordinating and facilitating a SCID Newborn Screening Task Force to advise the program in the implementation of SCID screening;
- Developing any necessary parent educational materials;
- Revising the newborn screening pamphlet;
- Collaborating with the Missouri State Public Health Laboratory to develop procedures for calling out high risk SCID newborn screening results;
- Collaborating with physicians, nurses, and other medical professionals to ensure all newborns with high risk SCID newborn screen are followed-up appropriately including all necessary evaluations and tests to confirm or rule out a disorder;
- Ensuring all confirmatory results and diagnoses are entered into the Missouri Health Strategic Architecture and Information Cooperative (MOHSAIC);
- Continually evaluate and monitor SCID newborn screening to ensure policies and procedures are in alignment with best practice and evidence-based standards of care; and
- Any additional tasks or duties related to SCID newborn screening.

The newborn screening pamphlet would need to be revised to include information on SCID. This would be a one-time cost of \$6,000 to revise and reprint the pamphlet (100,000 pamphlets X \$.06 each = \$6,000).

**State Public Health Laboratory (SPHL):**

The State Public Health Laboratory (SPHL) would need to hire one (1) additional FTE Senior Public Health Laboratory Scientist (\$41,940 annually) to oversee and maintain newborn screening for SCID.

ASSUMPTION (continued)

The job description for Senior Public Health Laboratory Scientist includes:

- Opening daily samples received and assessing for quality and suitability;
- Processing samples into split samples for the SCID testing platforms;
- Comprising work lists, making necessary solutions, and performing instrument preparations;
- Performing the molecular amplification and detection procedures for the presence of T-Cell Receptor Excision Circles (TRECs) to detect SCID;
- Reviewing and interpreting test results, and conducting necessary re-testing of abnormal results;
- Assessing the risk of abnormal results and contacting appropriate genetic referral center for confirmation and follow-up testing.
- Reviewing and approval of daily instrument controls for accuracy;
- Monitoring QC results for shifts and trends, and performing corrective and preventive actions;
- Oversight of instrument performance, maintenance, and troubleshooting;
- Conducting and oversight of regular proficiency testing to assure accuracy and proficiency certifications;
- Training and cross-training new scientists to be proficient in the SCID section;
- Ordering testing reagents and maintaining good inventory of items necessary for continuation of operations; and,
- Compiling monthly, annual, and as-needed reports for the newborn screening manager.

All laboratory equipment and expense costs associated with SCID testing are based upon vendor quotes for technology currently available. The DHSS assumes the proposal will have a cost to the MoPHS Fund of \$656,962 for FY 2016; \$758,720 for FY 2017 and \$775,127 for FY 2018.

This proposed legislation would require the DHSS to increase the newborn screening fee which will be deposited in the Missouri Public Health Services (MoPHS) Fund. DHSS estimates that the fee will increase by \$9.00 when testing is begun with inflationary increases thereafter, as needed. Based on previous years, it is estimated the DHSS will perform 95,640 screens annually - 80,640 will be billed to the submitters and approximately 15,000 will be submitted to Medicaid.

$15,000 \times \$7$  (can only claim Medicaid for the lab portion)  $\times 60\%$  (Federal Medical Assistance Percentage rate) = \$63,000;  $80,640 \times \$9 = \$725,760$ ; total annual income \$788,760 (\$63,000 + \$725,760).

The net estimated fiscal impact to the MoPHS Fund is expected to be \$338 for FY 2016; \$30,040 for FY 2017; and \$13,634 for FY 2018.

ASSUMPTION (continued)

**Oversight** assumes the provisions of this proposal will take effect on January 1, 2016 when the state employee health insurance plan year goes into effect. In addition, Oversight assumes, based on the Department of Social Services, MO HealthNet response a 1.9% growth rate in Medicaid reimbursements for newborn screening expenses.

Officials **DSS, MO HealthNet Division (MHD)** state by January 1, 2016, the Department of Health and Senior Services (DHSS) shall, subject to appropriations, expand the newborn screening requirements in section 191.331 to include severe combined immunodeficiency (SCID), also know as bubble boy disease.

Currently, newborn screenings are reimbursed by the MHD for the federal portion only. The general revenue portion is included in the DHSS budget.

In FY 2014, the MHD was billed for approximately 15,000 newborn screenings by the State Health Lab. For this calculation, it is assumed the same number of screenings would be billed in FY 2016 as billed in FY 2014.

At this time, the rate for the additional newborn screenings is unknown. Using DHSS' estimates that the rate will be \$7.00, the result would be \$105,000 (\$7 X 15,000 newborn screengins).

Fiscal Impact: Unknown, but at least:

FY 2016 (calculated for 6 months): Total Federal Funds \$33,311;  
FY 2017 (1.9% trend factor): Total Federal Funds \$67,888; and,  
FY 2018 (1.9% trend factor): Total Federal Funds \$69,178.

Officials from the **Missouri Consolidated Health Care Plan** and the **Missouri Department of Transportation** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Department of Public Safety, Missouri State Highway Patrol** defer to the Missouri Department of Transportation (MoDOT), Employee Benefits Section for response on behalf of the Highway Patrol. Please see MoDOT's fiscal note response for the potential fiscal impact of this proposal.

In response to similar legislation, officials from the **Missouri Department of Conservation** assumed the proposal would not fiscally impact their agency.

ASSUMPTION (continued)

**§192.390 - Amino acid-based elemental formulas (SA # 1)**

Officials from the **Department of Health and Senior Services (DHSS)** state that according to the Children's Milk Allergy and Gastrointestinal Coalition (MAGIC), it is estimated that up 0.1 percent of the total U.S. infant and children's population requires the amino acid-based elemental formula for proper life sustaining nutrition. The amount of time needed to be on the formula varies for each individual. According to MAGIC, children typically need the formula for a period of two years or less, and the majority of children will outgrow their allergies or conditions by age five.

The population of Missouri age birth to five is 390,237 (2010 census data). It is estimated that 390 (0.1 percent) of this population has a need for the formula. Currently, these formulas are covered through the state Medicaid program, the Women, Infants, and Children's Program (WIC), and the Children and Youth with Special Health Care Needs Program (CYSHCN) for those meeting income eligibility. Health plans in Missouri are not mandated for coverage of this formula. It is estimated that 50% of this population (195 individuals) will not be covered through any existing state program. This version of the legislation does not require insurance carriers to provide coverage for the listed conditions. According to information available on MAGIC's website, the annual average cost of elemental formula per year is \$5,075. The total cost of providing the formula to the children up to age five who would need assistance from DHSS is estimated at \$989,625 (\$5,075 x 195 individuals).

The percentage of individuals needing the formula beyond age five is estimated at significantly less than 0.1 percent for conditions that are not outgrown and would need the formula for life sustenance. Since the DHSS would be required to provide the formula for individuals under 19 years of age (coverage would be specific to each individual), the amount of funds needed to provide coverage for individuals between the ages of 5 and 19 years of age is unknown.

By rule, the Metabolic Formula Program currently provides one annual medical examination by a physician at 80 percent of billed costs. This examination verifies medical need and provides the prescription for the formula. It is assumed that this medical examination would be provided for the new participants as well at an average cost of \$200 per examination for a total cost of \$39,000 (\$200 x 195 individuals).

The DHSS would require one additional HPR II (annual salary of \$34,944) position in order to provide the following duties: enrolling participants in the program, contracting with formula companies and coordinating shipments of formula from the companies to the participants, verifying continued participant income and medical eligibility, payment of formula invoices, development of program rules, develop and maintain information to put on the DHSS web site, develop program manual, develop program forms, and respond to inquiries about the formula coverage by phone, email and written correspondence.



ASSUMPTION (continued)

Total estimated costs to the General Revenue Fund for FY 2016 are unknown, greater than \$919,402; FY 2017 are unknown, greater than \$1,121,937; and FY 2018 costs are unknown, greater than \$1,149,179.

**§208.065 - Eligibility Verification (SA #4)**

Officials from the DSS provide the following assumptions for this section of the proposal:

**Section 208.065 - Eligibility Verification**

DSS assumes the department would contract for this service. The contractor will conduct data match services to determine which participants may not be eligible for SNAP, TANF, child care assistance and MO HealthNet benefits. If there is no information/data that contradicts the original determination of benefits, then DSS assumes the participants are still eligible. However, DSS assumes all final eligibility determinations will be made by the Family Support Division (FSD).

Estimates for a contractor to provide services to implement eligibility determinations are based on past calculations prepared for the FY 2015 budget cycle as part of the Governor's recommendation. In addition, DSS assumes for the cases that are identified, case management services would be contracted to provide follow up analysis of each case. Contract and case management costs are estimated to be \$2,774,200 (\$1,120,167 GR; \$1,654,033 Federal) in FY 2016, \$3,977,001 (\$1,710,357 GR; \$2,266,644 Federal) in FY 2017 and \$4,144,035 (\$1,782,192 GR; \$2,361,843 Federal) in FY 2018.

DSS based its savings on the Illinois Medicaid Redetermination Project report. According to the Illinois information, many Illinois cases had not been reinvestigated for some time. Missouri has been timelier on reinvestigations; therefore, DSS assumes a lesser percentage of cases reviewed would be cancelled. DSS assumed 75% of the Illinois caseload for the first 5 months of the first calendar year; 50% of the Illinois caseload for the last 7 months of the first calendar year and the first 6 months of the second calendar year; and then 25% of the Illinois caseload for the remainder of year two. There are no additional savings projected for year three.

**Medicaid savings:** DSS assumes \$236 per member per month (PMPM) savings. This is half of TANF participant PMPM costs. Illinois found that many participants losing coverage did not have PMPM costs representative of the caseload because they had not accessed services. Illinois' actual PMPM savings from first group was \$55 PMPM. DSS assumes Missouri savings would be more since Missouri has been completing reinvestigations timelier. Potential savings to the state

ASSUMPTION (continued)

from recoveries is \$2,280,112 (\$501,766 GR; \$334,511 Other Funds; \$1,443,835 Federal) in FY 2016; \$8,867,102 (\$1,951,312 GR; \$1,300,875 Other Funds; \$5,614,915 Federal) in FY 2017; for a cumulative total savings of \$14,947,400 (\$3,289,355 GR; \$2,192,903 Other Funds; \$9,465,142 Federal) in FY 2018.

**SNAP savings:** DSS assumes \$261 per member per month (PMPM) savings. Using the same methodology, potential savings are \$1,143,180 in Federal Funds for FY 2016; \$4,444,830 in Federal Funds for FY 2017; for a total cumulative SNAP Federal Fund savings of \$7,493,832 in FY 2018.

Food Stamp benefits are paid by the federal government and are not included in FSD's appropriations.

CFR 272.4(a)(2) Program administration and personnel requirements:

Due to federal rules for the Food Stamp program, FSD would be required to request a waiver to implement this process for Food Stamp applicants. If the waiver is not approved by the federal Food and Nutrition Services, FSD reasonably anticipates there could be sanctions imposed by the United State government if this process were implemented without an approved waiver. These sanctions could include a disallowance of some or all of the federal Food Stamp program funding.

**TANF savings:** DSS assumes \$227 per member per month (PMPM) savings. Using the same methodology, potential savings are \$72,867 in Federal Funds in FY 2016; \$282,615 in Federal Funds in FY 2017; for a total cumulative TANF Federal Funds savings of \$477,381 in FY 2018.

This would result in a reduction of TANF spending on cash assistance, but not a savings in TANF funding because all TANF must be spent on one of the four purposes of the TANF program:

- 1) To provide assistance to needy families;
- 2) To end dependence of needy parents by promoting job preparation, work and marriage;
- 3) To prevent and reduce out-of-wedlock pregnancies; and
- 4) To encourage the formation and maintenance of two-parent families.

FSD anticipates a shift in spending from cash grants to eligible families to other purposes of the TANF program.

**Child care savings:** DSS assumes \$309 per member per month (PMPM) savings. Using the same methodology, potential savings are \$112,167 in Federal Funds for FY 2016; \$437,235 in Federal Funds for FY 2017; for a total cumulative Child Care Development Federal Fund savings of \$735,729 in FY 2018.

ASSUMPTION (continued)

This would result in a reduction of child care spending on assistance, but not a savings in Child Care Development Fund (CCDF) funding because all CCDF must be spent on child care assistance or child care quality programs.

Estimated cumulative savings for these four programs are \$3,608,326 (\$501,766 GR, \$334,511 Other Funds, \$2,772,049 Federal) in FY 2016; \$14,031,782 (\$1,951,312 GR, \$1,300,875 Other Funds, \$10,779,595 Federal) in FY 2017; for a total cumulative savings for four programs of \$23,654,342 (\$3,289,355 GR, \$2,192,903 Other Funds, \$18,172,084 Federal) in FY 2018.

TOTAL IMPACT

	TOTAL	GR	Federal	Other Funds
FY 2016	\$834,126	(\$618,401)	\$1,118,016	\$334,511
FY 2017	\$10,054,780	\$240,955	\$8,512,950	\$1,300,875
FY 2018	\$19,510,306	\$1,507,163	\$15,810,240	\$2,192,903

**Oversight** will present the individual savings for Medicaid/MO HealthNet and SNAP by year rather than as cumulative totals. Since funds for TANF must be spent on one of the four purposes of the TANF program and Child Care funds must be spent on child care assistance or child care quality programs, these do not actually present a savings to the state and will not be presented in the fiscal note.

Officials from the **DSS, Division of Legal Services (DLS)** state it is assumed that the contractor's review of all applicant and client eligibility information would result in additional adverse case actions due to the contractor's discovery of previously unreported adverse eligibility information. The additional case closings would in turn result in additional hearings contesting the adverse action taken by FSD. It is not possible to accurately estimate the increase in hearings as it is not possible to accurately measure the potential for fraud by FSD clients, but it can be assumed there would be at least a one percent increase in administrative hearings. In calendar year 2014, the DLS Hearings Unit issued 12,516 decisions of all types. Assuming there was a 1% increase in hearings, DLS anticipates that 125 additional administrative hearings will be requested to contest whether individuals or couples should have their benefits terminated or decreased. DLS believes that it will take approximately two hours to conduct each hearing required by this bill. This will include hearing preparation, the actual hearing and the writing and reviewing of the hearing decision. DLS assumes that hearing officers can hold approximately 900 hearings per year. DLS will be able to absorb the additional hearings with existing staff.

DSS provided the **Office of Administration (OA), Information Technology Services Division (ITSD)** response. ITSD states it is assumed that every new IT project/system will be bid out because all ITSD resources are at full capacity.

ASSUMPTION (continued)

The Family Assistance Management Information System (FAMIS) is expected to provide a file with the name, date of birth, address, and Social Security number of each applicant and recipient, and additional data provided by the applicant or recipient relevant to eligibility against public records and other data sources to verify eligibility data. There is no mention of the frequency of this exchange except the fact that deaths, moving out of state, and incarceration should be verified monthly.

This could end being a major change in FAMIS based on the actual requirement. The requirement talks about “name, date of birth, address, Social Security number of each applicant and recipient”. There are certain screens where FAMIS does not require the Eligibility Specialist (ES) to enter details of the applicant if they are not requesting benefits and this might have to change. Also, at this time, ITSD does not know if this will in any way impact the existing annual reinvestigation/recertification process in FAMIS. At this time, ITSD also does not know of any special requirements as far as forms and notices are concerned.

It should also be kept in mind that some of the MO HealthNet programs are already in the Missouri Eligibility Determination and Enrollment System (MEDES).

ITSD estimates the following contracted IT consultant hours and costs related to this proposal:

<u>Section</u>	<u>Hours</u>	<u>Rate/Hour</u>	<u>GR</u> <u>Costs</u>	<u>Federal Funds</u> <u>Costs</u>
208.065.1	457.92	\$75	\$34,344	
208.065.2	172.80	\$75	\$12,960	
208.065.3	276.48	\$75	\$20,736	
208.065.3	276.48	\$75	\$20,736	
208.065.4	<u>172.80</u>	\$75	<u>\$12,960</u>	
Total	1,356.48		\$101,736	

**§210.118 - Copies of Judgments or Orders to Children’s Division**

Officials from the **DSS, Children’s Division (CD)** state section 210.118 provides that the circuit clerk to send a certified copy of any judgment or order to the Children's Division when a court finds by a preponderance of the evidence that a party is responsible for the child abuse or neglect under chapter 210 or 211. Upon the receipt of the order, the Children's Division will be required to list the individual as a perpetrator of child abuse or neglect in the central registry.

ASSUMPTION (continued)

In subsection 2 of Section 210.118, this bill will require a court to enter an order directing the Children's Division to list an individual as a perpetrator of child abuse or neglect in the central registry, whenever a person has pled guilty or has been found guilty of certain crimes. The list of crimes includes murder, assault and certain sexual offenses when the victim is a child. It also includes sexual offense crimes under Chapter 566, RSMo, when the child is less than 18 years of age and the perpetrator is 21 years of age or older. Finally, the list of crimes includes certain offenses under Chapter 568, RSMo, relating to offenses against the family and certain offenses under Chapter 573, RSMo, relating to the promotion of child pornography. Any attempts to commit such crimes are also included within the requirements of this subsection. The circuit clerk will be required to send a copy of the order to the Children's Division. Upon receipt of the order, the Children's Division will then be required to list the individual as a perpetrator of child abuse or neglect in the Central Registry.

These acts will not create a fiscal impact for the Children's Division.

**§210.148 - Juveniles with Problem Sexual Behavior**

Officials from the **DSS-CD** state section 210.148 creates a new section in Chapter 210 Child Protection Statutes.

If the intent of this legislation is to utilize "Family Assessment and Services" as defined by section 210.110, these are services for a victim who has been abused by someone responsible for his or her care, custody or control.

This bill would require changes to the Division's Child Abuse or Neglect Hotline Unit system to screen and classify calls.

Current law, section 210.110 (1) as used in sections 210.109 to 210.165 defines "abuse", any physical injury, sexual abuse, or emotional abuse inflicted on a child other than by accidental means by those responsible for the child's care, custody, and control, except that discipline including spanking, administered in a reasonable manner, shall not be construed to be abuse;

If the intent of this bill is to use the term "sexual abuse" as defined in 210.110, this bill would require the CD to conduct family assessments on families where a child under the age of 14 allegedly committed sexual abuse against a younger child in which he or she was responsible for the younger child's care, custody or control. Under this interpretation the only change to current statute would be that the Division would be using the family assessment approach rather than investigations in these cases, unless during the assessment it was determined an investigation was required. This would not create a significant impact to the CD.

ASSUMPTION (continued)

In Fiscal Year 2013 there were 754 calls involving perpetrators less than 14 years of age. In 552 of those calls the reporters concern triggered the use of a sexual maltreatment pathway. In Fiscal Year 2014 there were a total of 1164 calls involving perpetrators under age 14 and 832 used sexual maltreatment pathways to screen and classify the call.

This bill would require programmatic and procedural changes as well as changes to screening and classification of hotline calls. The CD believes these changes can be absorbed and will not create a fiscal impact to the Division.

This bill is nearly identical to 1744-01, HB 713 with the exception of the word "younger" in the definition of "juvenile with problem sexual behavior". This change would open these provisions to the situation in which the victim is actually older than the perpetrator.

**§211.031 - Return to Children's Division**

Officials from the **DSS-CD** state this section provides that a juvenile court has authority over proceedings involving a youth under the age of twenty-one for whom a petition has been filed to return the youth to the custody of the Children's Division. The CD does not anticipate a fiscal impact as a result of this legislation.

**§211.036 - Former Foster Child's Return to Children's Division**

**DSS-CD** officials state section 211.036 is modified to add conditions for a former foster child to return to custody of the division. This bill adds that the petition must be filed in the court that exercised authority under 211.031. If not heard within 6 months the petition may be filed in the court where the youth resides or the court of an adjacent county.

This bill also provides the similar criteria for the court terminating the care and custody of a youth when petitioned by the Division or Juvenile Office, when there are no Division services available or when the youth is not cooperating in implementing the case plan.

ASSUMPTION (continued)

The changes resulting from this legislation would make Missouri statute consistent with current Children's Division Policy, which provides staff with criteria for petitioning the court for an older youths re-entry into foster care. (Reference Child Welfare Manual Section 4, Chapter 21.3 Older Youth) The Division does not anticipate a fiscal impact as a result of this legislation

Although the Division of Legal Services (DLS) provides legal representation to the CD, this legislation has no impact on DLS.

These acts will not create a fiscal impact for the Children's Division or Division of Youth Services.

**§211.171 - Foster Parents Party in all Juvenile Court Cases (SA #5)**

Officials from the **DSS-CD** state subsection 3 of Section 211.171 provides that the current foster parents of a child, or any pre-adoptive parent or relative currently providing care for a child, shall be a party in all court hearings pertaining to a foster child. This section will have a substantial impact on the Children's Division.

The changes to Section 211.171 will allow foster parents and relatives with custody of children to fully participate as parties in all juvenile court cases. This means that foster parents and relatives will be able to retain and be represented by counsel. They may also represent themselves pro-se. Foster parents will be able to call witnesses, examine and cross-examine witnesses, adduce evidence and make discovery requests. They will be able to take depositions, file motions of any kind involving the child, including motions relating to changes in placement.

Foster parents will not have a choice about whether they will be a party to a case. This means that foster parents and relatives with custody of foster children will have all the duties, responsibilities, and liabilities of parties in juvenile court proceedings. They can be required to respond to formal discovery (interrogatories, requests for production, requests for admissions, etc.) may be subject to motions filed against them as party to a case, including motions for attorney fees to be assessed against them.

The expansion of the role of foster parents and relatives with custody of foster children will lead to litigation between the biological parents, the foster parents and other parties, including the Children's Division. This will inevitably increase the need and likelihood that foster parents will have to retain legal counsel. As a party to a juvenile case, the foster parents will be subject to full discovery on issues pertaining to the foster parent's personal and family life. A juvenile court will be able to issue orders against foster parents and will be able to hold foster parents in contempt of court for failing to comply with a court order. In certain circumstances, foster parents may find themselves in an adversarial position with the Children's Division.

ASSUMPTION (continued)

This will lead to increased expenses for attorney fees and litigation costs for foster parents and will require them to attend all court hearings or be subject to adverse orders against them.

**DSS-DLS** officials state this section will increase the litigation costs in the handling of juvenile court cases. The addition of a new party to juvenile cases will result in more litigation. At the present time, foster parents are not parties to juvenile court cases and do not have the right to file motions. There are approximately 10,519 children in foster type placements in the State of Missouri. Based on legal and programmatic experience, the DSS assumed this would occur in a minimum of 10% of the cases. Therefore, for the purpose of this fiscal note, 10% was used. In the event that this resulted in having to enter an appearance and provide legal representation in ten percent of these cases, there would be a substantial impact. This additional duties would be contracted out for a cost of \$1,052,000. The cost was derived in the following manner: 1,052 cases (10% X 10,519 children), with an average of 10 hours per case at a cost of \$100 per hour equals a total cost of \$1,052,000 (1,052\*10\*100) .

Since it is unknown exactly how many cases will result in additional litigation, DLS is ranging costs from \$0 to \$1,052,000.

By making foster parents parties to court hearings, the CD could incur costs associated with the following:

Foster parents will need to understand their responsibilities and requirements of becoming parties to court hearings. This will require training on the implications of this legislation, including the requirement for foster parents to attend all court hearings and potential ramifications of failure to do so (such as being issued subpoenas or being found in contempt of court). Such training would become a required part of foster parent training.

Transportation reimbursement to foster parents could be expected to increase substantially. It is estimated that currently foster parents attend court hearings about 50% of the time. As of April 30, 2015, the CD has reimbursed foster parents a total of \$543,560 for transportation. A full year is projected to be \$652,272. The CD expects the transportation reimbursement to double due to the requirement that foster parents attend all court hearings; thus, an additional \$652,272 in foster care appropriations are required. (50% GR; 50% FFP).

The CD expects that some current foster parents may choose to no longer remain as foster parents. The number of new applicants may decline due to the many legal implications of becoming parties to juvenile cases. Therefore, the CD would have no alternative other than to place children in residential treatment facilities.



ASSUMPTION (continued)

In FY 2014, the average annual residential treatment cost for a child was \$8,837 compared to \$4,515 for a foster care. (Information from the FY14 FCCM General Assembly Report). Thus, for every child placed in residential treatment in lieu of foster care, CD will incur an additional financial cost of \$4,322 (\$8,837 - \$4,515). If this impacted 100 children (approximately 1% of the children in foster home placements), the cost would be \$432,200 annually (\$350,082 GR; \$82,118 FFP). **Note:** The Federal match assumes 30% of children in residential placements are IVE eligible and receive a 63.45% FMAP.

Furthermore, this violates both state and federal requirements to place children in the least restrictive setting. State statute 210.001.1(1) and Section 475(5)(A) of the Social Security Act require placement in a safe setting that is the least restrictive (most family like) and most appropriate setting available.

Total Assumed Costs for Residential Placement and Additional Mileage:

\$676,218	GR
<u>\$408,254</u>	FFP
\$1,084,472	Total

Officials from the **OA-B&P** state this provision authorizes a party to any matter involving the child in their care to participate as a party in all court hearings pertaining to that child. B&P defers to DSS and the Office of State Courts Administrator for any fiscal impact to implement this provision.

**§§455.010 - 455.538 - Orders of Protection**

Officials from the **Department of Corrections (DOC)** state most changes in this proposal are procedural with no additional penalties. However, the increase in the number of offenses for which an order of protection can be issued is likely to increase the number of protection orders and, therefore, the sentences for violating an order of protection. Violation of an order of protection is a class A misdemeanor and is supervised by the Division of Probation and Parole. In FY 2014,, the DOC received 69 offenders for violation of an order of protection and it is projected that the additional offenses will increase the number of misdemeanor probations by 4 offenders per year. Misdemeanor probations are supervised for 3 years. The impact is an increase of 4 offenders in the first year, increasing to 12 after three years. No increase is expected in the number of offenders convicted of repeated violations of a protection order (class D) and so there will be no impact upon the prison population.

ASSUMPTION (continued)

The FY 2015 average cost of supervision is \$6.72 per offender per day or an annual cost of \$2,453 per offender.

The DOC would assume this legislation will result in net long term costs as indicated below. Costs include a 2% inflation factor.

2016 (10 months)	\$8,177
2017	\$20,016
2018	\$30,625
2019	\$31,238
2020	\$31,862
2021	\$32,500
2022	\$33,150
2023	\$33,813
2024	\$34,489
2025	\$35,179

**Oversight** assumes the DOC could absorb the minimal costs that would be incurred in FY 2016.

**Bill as a whole:**

In response to the previous version of this proposal, officials from the **Office of State Public Defender** stated for the purpose of this proposed legislation, the SPD cannot assume that existing staff will provide competent, effective representation for any new cases where indigent persons are charged with the proposed new crime of unlawful contact with a victim of a sexual offense.

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation in all cases.

**Oversight** assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials from the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Insurance**, **Financial Institutions and Professional Registration**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Joint Committee on Administrative Rules**, the **Missouri Office of Prosecution Services** and the **Office of State Courts Administrator** each assume the proposal would not fiscally impact their respective agencies.

ASSUMPTION (continued)

In response to similar provisions, officials from the **Office of the Secretary of State (SOS)** stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (6 Mo.)	FY 2017	FY 2018
<b>GENERAL REVENUE FUND</b>			
<u>Revenue - DSS (§135.1150)</u>			
Revenue for tax credit	\$200,000	\$400,000	\$400,000
<u>Revenue - DSS (§135.1180)</u>			
Revenue for tax credit	\$0	\$50,000	\$100,000
<u>Savings - DSS-FSD/MHD (§208.065)</u>			
Recovery from eligibility verifications for Medicaid/MO HealthNet	<u>\$501,766</u>	<u>\$1,449,546</u>	<u>\$1,338,043</u>
Total <u>All</u> Income and Savings	\$701,766	\$1,899,546	\$1,838,043
<u>Costs - DSS (§135.1150)</u>			
Tax credit issued	(\$200,000)	(\$400,000)	(\$400,000)
<u>Costs - DSS (§135.1180)</u>			
Tax credit issued	\$0	(\$50,000)	(\$100,000)
<u>Costs - DHSS (§192.390)</u>			
Salaries	(\$29,120)	(\$35,293)	(\$35,646)
Fringe benefits	(\$15,144)	(\$18,354)	(\$18,538)
Equipment and expense	(\$17,950)	(\$13,949)	(\$14,296)
Formula & Medical Exams	<u>(Greater than \$857,188)</u>	<u>(Greater than \$1,054,341)</u>	<u>(Greater than \$1,080,699)</u>
Total Costs - DHSS	<u>(Greater than \$919,402)</u>	<u>(Greater than \$1,121,937)</u>	<u>(Greater than \$1,149,179)</u>
FTE Change - DHSS	1 FTE	1 FTE	1 FTE
<u>Costs - DSS-FSD/MHD (§208.065)</u>			
Contract and case management fees for eligibility verifications	(\$1,120,167)	(\$1,710,357)	(\$1,782,192)
<u>Costs - OA-ITSD (§208.065)</u>			
Contract IT costs	(\$101,736)	\$0	\$0

<u>FISCAL IMPACT - State Government</u>	FY 2016 (6 Mo.)	FY 2017	FY 2018
<b>GENERAL REVENUE FUND (cont.)</b>			
<u>Costs - DSS-CD (\$211.171)</u>			
Foster parent mileage costs and residential treatment costs	(\$563,515)	(\$676,218)	(\$676,218)
<u>Costs - DSS-DLS (\$211.171)</u>			
Increase in litigation costs	(\$0 to \$578,600)	(\$0 to \$694,320)	(\$0 to \$694,320)
<u>Costs - DOC (§§455.010-455.538)</u>			
Increase in parole supervision expenditures	\$0	(\$20,016)	(\$30,625)
Total <u>All</u> Costs	(Greater than \$2,904,820)	(Greater than \$3,958,512)	(Greater than \$4,107,589)
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b>(Greater than \$2,203,054)</b>	<b>(More than \$2,058,966)</b>	<b>(More than \$2,269,546)</b>
Estimated Net FTE Change on the General Revenue Fund	1 FTE	1 FTE	1 FTE
<b>MoPHS FUND</b>			
<u>Income - DHSS (\$191.332)</u>			
Increase in infant screening revenues	\$362,880	\$725,760	\$725,760
<u>Transfer-in from DSS Federal Fund</u>			
Reimbursement for screening costs	At least \$33,311	At least \$67,888	At least \$69,178
Total <u>Income and Transfers-in - DHSS</u>	At least \$396,191	At least \$793,648	At least \$794,938

<u>FISCAL IMPACT - State Government</u>	FY 2016 (6 Mo.)	FY 2017	FY 2018
<b>MoPHS FUND (cont.)</b>			
<u>Costs - DHSS (\$191.332)</u>			
Personal service	(\$45,864)	(\$92,645)	(\$93,572)
Fringe benefits	(\$23,852)	(\$48,180)	(\$48,662)
Equipment and expense	<u>(\$340,614)</u>	<u>(\$617,896)</u>	<u>(\$632,893)</u>
Total <u>Costs - DHSS</u>	<u>(\$410,330)</u>	<u>(\$758,721)</u>	<u>(\$775,127)</u>
FTE Change	2 FTE	2 FTE	2 FTE
<b>ESTIMATED NET EFFECT ON THE MoPHS FUND</b>	<b><u>(Less than \$14,139)</u></b>	<b><u>Could exceed \$34,927</u></b>	<b><u>Could exceed \$19,811</u></b>
Estimated Net FTE Change for the MoPHS Fund	2 FTE	2 FTE	2 FTE
<b>OTHER STATE FUNDS (various) (\$208.065)</b>			
<u>Savings - DSS-FSD/MHD</u>			
Recovery from eligibility verifications for Medicaid/MO HealthNet	<u>\$334,511</u>	<u>\$966,364</u>	<u>\$892,028</u>
<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS (various)</b>	<b><u>\$334,511</u></b>	<b><u>\$966,364</u></b>	<b><u>\$892,028</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2016 (6 Mo.)	FY 2017	FY 2018
<b>FEDERAL FUNDS</b>			
<u>Income</u> - DSS-MHD (§191.332)			
Reimbursement for SCID newborn screening expenses	At least \$33,311	At least \$67,888	At least \$69,178
<u>Income</u> - DSS-FSD/MHD (§208.065)			
Increase in program reimbursements for contract and case management fees for eligibility verifications	\$1,654,033	\$2,266,644	\$2,361,843
<u>Income</u> - DSS-CD (§211.171)			
Increase in program reimbursements	\$340,212	\$408,254	\$408,254
<u>Income</u> - DSS-DLS (§211.171)			
Increase in program reimbursements	\$0 to \$298,067	\$0 to \$357,680	\$0 to \$357,680
<u>Savings</u> - DSS-FSD/MHD (§208.065)			
Reduction in program expenditures due to verification of eligibility for Medicaid/MO HealthNet	\$1,443,835	\$4,171,080	\$3,850,227
<u>Savings</u> - DSS-FSD/MHD (§208.065)			
Reduction in SNAP expenditures	\$1,143,180	\$3,301,650	\$3,049,002
Total <u>All</u> Income and Savings	Could exceed \$4,614,571	Could exceed \$10,215,516	Could exceed \$9,738,504

<u>FISCAL IMPACT - State Government</u>	FY 2016 (6 Mo.)	FY 2017	FY 2018
<b>FEDERAL FUNDS (cont.)</b>			
<u>Costs - DSS-FSD/MHD (\$208.065)</u>			
Contract and case management fees for eligibility verifications	(\$1,654,033)	(\$2,266,644)	(\$2,361,843)
<u>Costs - DSS-CD (\$211.171)</u>			
Increase in foster parent mileage costs and residential treatment costs	(\$340,212)	(\$408,254)	(\$408,254)
<u>Costs - DSS-DLS (\$211.171)</u>			
Increase in litigation costs	(\$0 to \$298,067)	(\$0 to \$357,680)	(\$0 to \$357,680)
<u>Loss - DSS-FSD/MHD (\$208.065)</u>			
Reduction in program reimbursements due to verification of eligibility for Medicaid/MO HealthNet	(\$1,443,835)	(\$4,171,080)	(\$3,850,227)
<u>Loss - DSS-FSD/MHD (\$208.065)</u>			
Reduction in SNAP funds to the state	<u>(\$1,143,180)</u>	<u>(\$3,301,650)</u>	<u>(\$3,049,002)</u>
<u>Transfer-out - DSS-MHD (\$191.332)</u>			
Transfer-out to DHSS MoPHS Fund for SCID newborn screening expenses	<u>(At least \$33,311)</u>	<u>(At least \$67,888)</u>	<u>(At least \$69,178)</u>
Total <u>All</u> Costs, Losses, and Transfer-Out	<u>(Could exceed \$4,614,571)</u>	<u>(Could exceed \$10,215,516)</u>	<u>(Could exceed \$9,738,504)</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

**Note: The fiscal note does not reflect the possibility that some of the tax credits could be utilized by insurance companies against insurance premium taxes. If this occurs, the loss in tax revenue would be split between the General Revenue Fund and the County Foreign Insurance Fund, which ultimately goes to local school districts.**



<u>FISCAL IMPACT - Local Government</u>	FY 2016 (6 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

#### FISCAL IMPACT - Small Business

Small business birthing centers, midwives and any other entities that purchase newborn screening collection forms would have to pay an additional fee. However, this cost may be recovered by the fees charged. There would also be additional administrative costs. (Section 191.332)

#### FISCAL DESCRIPTION

Currently, the Residential Treatment Agency Tax Credit is set to expire on December 31, 2015, and the Developmental Disability Care Provider Tax Credit is set to expire on December 31, 2016. This proposal removes the sunset provision for both programs. (Sections 135.1150 and 135.1180)

This proposal requires the Department of Health and Senior Services, subject to appropriations, to add severe combined immunodeficiency (SCID), also known as the bubble boy disease to the list of newborn screening requirements. (Section 191.332)

This proposal requires the state to provide coverage for amino acid-based elemental formulas for individuals with certain food allergies and conditions. The department shall not provide coverage for children who are already receiving coverage for the amino acid-based elemental formulas through MO HealthNet; the Women, Infants, and Children Supplemental Nutrition Program, and the Children's Health Insurance Program. (Section 192.390)

By January 1, 2016, this proposal requires the Department of Social Services to procure a contractor for the purpose of providing verification of initial and ongoing eligibility data for the Supplemental Nutrition Assistance Program; Temporary Assistance for Needy Families; Women, Infants, and Children Supplemental Nutrition Program; Child Care Assistance Program; and MO HealthNet Program. The contractor must conduct data matches using specified information relevant to eligibility against public records and other data sources to verify eligibility data. The contractor must evaluate the income, resources, and assets of each applicant and recipient no less than quarterly. In addition to quarterly eligibility data verification, the contractor must identify on a monthly basis any program participants who have died, moved out of state, or have been incarcerated longer than 90 days. Upon completing an eligibility data verification of an applicant or recipient, the contractor is required to notify the department of the results, except that the

### FISCAL DESCRIPTION (continued)

contractor is prohibited from verifying the eligibility data of persons residing in long-term care facilities whose income and resources were at or below the applicable financial eligibility standards at the time of their last review. The department must make an eligibility determination within 20 business days of receipt of the notification. The proposal requires the department to retain final authority over eligibility determinations and the contractor must keep a record of all eligibility data verifications communicated to the department.

The department and contractor must file a joint report on a yearly basis, within 30 days of the end of each calendar year, to the Governor, the Speaker of the House of Representatives, and the President Pro Tem of the Senate. The proposal specifies the information that must be included in the report. (Section 208.065)

Provides that sexual assault shall be a class A misdemeanor. (Sections 455.010 - 455.538)

This legislation is not federally mandated and would not duplicate any other program but may require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Department of Agriculture  
Department of Economic Development  
Department of Elementary and Secondary Education  
Department of Health and Senior Services  
Department of Insurance, Financial Institutions  
and Professional Registration  
Department of Mental Health  
Department of Natural Resources  
Department of Corrections  
Department of Labor and Industrial Relations  
Department of Revenue  
Department of Public Safety -  
Missouri State Highway Patrol  
Department of Social Services -  
Children's Division  
Family Support Division  
Division of Legal Services  
Joint Committee on Administrative Rules  
Missouri Consolidated Health Care Plan

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SOURCES OF INFORMATION (continued)

Missouri Department of Conservation

Missouri Department of Transportation

Missouri Office of Prosecution Services

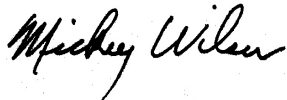
Office of Administration -

Division of Budget and Planning

Office of State Courts Administrator

Office of Secretary of State

Office of State Public Defender



Mickey Wilson, CPA

Director

May 4, 2015

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Assistant Director

May 4, 2015